App F IX 4

Previous References

1928-29 (mc)

File No 275-28

Serial Nos 9, 10, 11, 12, 13 & 14

Later References

mc 133 30 - 11, 12, 14, 15 17

General and Revenue Secretariat.

Serial Nos 6

Part B for June 32

SUBJECT

Defalcation in the Health Office, Bangalore
Enq. by Narasaiah —

Ordered to be recorded for
the present.

General and Revenue Secretariat | File No 275 of 192 8

Serial No	
9	From the Collector to Government no 264—L A D dated 24/28-10-29 Stating that the total amount defalcated in the Health Office of the Bangalore Municipality, for the period covered by audit viz — 12 years from 1 7 1917 to 1 5 29 as regards receipts & 3 years from 1 7 1926 to 1 5 29 as regards expenditure is Rs 2520-4-11, so far as it is detected from the available records
	5) The paper under disposal explains that the defalcation in the Health Office was rendered possible not by any defect inherent in the system of accounts & rules in force, but solely by the laxity in the maintenance, supervision & verification of Cash & other primary records & documents periodically and non-observance of the prescribed rules & procedure
	6) As the amount defalcated is large, the President may be requested to obtain & state the explanation of those concerned who allowed the Head-clerk Venkatanarasiah to

WD 01684—GPB—30 000—20-4 29

App F 181—21

General and Revenue Secretariat

File No 275 of 1928

Serial No

ANC OFFICE
- NOV 1929
No 1981

OFFICE OF THE SE MI OF C I
7 NOV 1929
No 36646

Comment these defalcations submitted for orders

7) Hand attention is drawn to para 6 of Mr Jomphe's letter to Mr Hurdell

8) The explanation of the officers concerned to whom the defalcation has happened to be stated by Mr Hurdell together with the disciplinary & other actions they propose to take in the matter

9) Forwarded

5/11

10) Secand Examiner

6/11

11) Perusal

12) Yes. The amount defalcated should be recovered from the officers responsible.

13) Yes it must make the rule invariable in all such cases

9-11-29

14) Draft submitted for consideration

13/11/29

15) Department action may be taken on the general question

NOTE—Contn sheet

WD 006—GPB—30 000—26 7 29

D.2055 (4

App F III—2]

General and Revenue Secretariat

File No 275 of 1928

Serial No 10

To The President, Barpeta Municipality
No L3684 d 22 11 29
Calls for the explanation of the Officers & Officials concerned & suggests that prompt action may also be taken to recover the amount defalcated from the Officials & Officers responsible for the loss to the municipality

---

(9) The file may now be sent to the G M Branch for favour of taking further action re the issue of a general order for the recovery of the defalcated amounts from the responsible Officials & Officers concerned as ordered by the Dewan in paragraph 13 of the note supra. Sd/-

Sd/- 22 11 29

20) Please invite an ~~extract~~ d 24.11.29 extract of the Minutes of the Durbar where it was decided to issue a General order for recovery & state if there is no such Standing order at present.

Sd/- 23/11/29

NOTE—Contn. sheet

WD 066—GPB—30 000—26 7 29

App I III—2]

General and Revenue Secretariat

File No. 275 of 1928

Serial No.

21) Extract of the Orders issued as [illegible] for the guidance of [illegible] is sent to the Government for [illegible]

23/11/29 22) Final file [illegible] 23/11/29

2201/28

23) Reference the rules framed thereunder against para 14 page [illegible] of the P & C Report 1928-29 in page 2 of the file 1670-428 dated 10.8.29 the Secretariat of [illegible] Government [illegible] Rules and Regulations [illegible] that no rules require an amendment of the Regulations but can be issued in the form of rules under an existing provision in the Regulations [illegible] the Rules as above [illegible] of the Regulations [illegible] the file [illegible] 7 Dec 29

655/07/11

25) General [illegible] X [illegible] copy of the said memorandum of [illegible] copy of [illegible] the [illegible] 29.8.29

27) Secretariat for [illegible] Chief [illegible] with reference to [illegible] 30/11/29 [illegible] 29) [illegible] 7/12

29 Even the [illegible] should be done in [illegible] with a [illegible] case

Note—Contra Sheet

30) [illegible] Circular [illegible] [illegible]

General and Revenue Secretariat | ol File No. 295 of 192 8

Serial No.

K W

31) Copies of G O dated 12/14 8 1929 have been distributed among the concerned Case workers in the Revenue Dept the file be kept in the Head Clerks room the President Bangalore Engg Asst-Cl's Sheristadar for ref.

Clerk
12/10/29

RFV SECTT
GENERAL
1929
Bangalore

Note Corner Sheet

W D No—G P S—40,000—25-7-29

General and Revenue Secretariat

2055 5558 5579 0527 P

Subject:- Misappropriation of Municipal Funds by B Venkat. Ramaiah late Head clerk Bara ag- Health Office.

File No App F III—2] of 192

Serial No

1) The Connected file no 275-28 Below is put up

2) Supdt Procee Br Head Compts) 4/ 9/5/32

Rs 1275

3) The petn mentioned from the Supdt of Municipalities may also be sent to S G Branch for being dealt with.

4) As below) Rs 1275

4 Instant

4/ 14/9/32

5) Two petitions addressed to the Dewan from Putta Gowramma, wife of B Venkataramaiah late Head clerk, Health Office Bangalore City Municipality stating that she owned deposit Rs 3000/- alleged to have been misappropriated by her husband in case the criminal cases pending against her husband are withdrawn - Sued for orders if the petitions may be sent to the Mal-Commr for a report

Sd/ 14/9/32

6) We have called for a report from the

Note—Contn Sheet

WD 066—GPB—80 000—26 7-29

5579 (?

General and Revenue Secretariat | ml File No 2757 | App F III—2] of 192?

Serial No

Municr as the reasons was. responsible for the loss of money in the Health Dept and to recover the same from them. The petition may be sent to the Municr and he may be asked for a report reply as to action taken on the above reference

7) Submitted

8) RG 14/5/30

9) Submitted 20/5

10) Draft submitted 21/5/30

11) Submitted 22/5

12 To The Municr-Commr, Bangalore City Municipality No-L 8674 & 28 5 30

Forwards the two petitions & Memorandum & calls for the report asked for in this Office letter No-L 3684-ml 275-28-10 & 22-11 29 on the matter

Note—Contn Sheet

GEN & RF SECTT 4 JUNE 1930 L. B. G. BRANCH

WD 01684—GPB—30 000—20 4 29

D 6200

App F III—2]

General and Revenue Secretariat

Rel File No 275 of 1928-29

Serial No	
12	From the Municipal Commissioner Bezwada City Municipality No. G 20 279 of 12/3 6-30 States that the subject of Mis appropriation of Rel funds in the Health Office will be placed before the Mn. Cl on the 21st June 1930 and that the petitions of Public a Governance will also be placed before the Cl at the time of the discussion of the subject
	12) This is only an ad-interim Rep. Final Rep will be awaited if approved Subo for orders Sd 16/6/30. 13) VS 16/6
For B Fill?	
13	From Do — No G 20 328 28 7-30 Reports the details for Rs 2320-11 Mis appropriated in the Health Office
	14) Subo for perusal The result of the criminal case against Venkata Narasiah May be awaited to see how far he was responsible for these

Note—Contn Sheet

WD 02328—GPB—10 000 —22 4 30

L 716 2 CW C4

App F III—2]

General and Revenue Secretariat | File No 27 S , of 1928-29

Serial No

misappropriations. Subd for orders

15) The result of the trial may be awaited

2nd Member). VS 15-8-30

OFFICE
15 AUG. 1930
1427-

Govt 15

CSX

15/8 VS

14 Letter no 8 to Coll dt 11-11-31 forwg Memo Enquiries &c reporting that five cases were filed against the Appellant in the First-class Magistrate's Court, that out of these five cases, the accused was acquitted in two cases and the appeals against the order of acquittal have been pending in the High Court, that the other three cases have been transferred to the City Magistrate's Court on application by the accused and they are pending in that Court

---

16) The Coll states that after the appeals and the cases are disposed of a further report will be submitted thus will be awaited by appd

17) Subd with reg to para 15 supra

18/11/31 2nd Member VS

Govt 3/12

Note—Contn Sheet

WD 02328 GPB—10 000 —22 4 30

19 11 31

2480

General and Revenue Secretariat | File No | of 193

Serial No

These papers can be recorded in B for the present. A report has been called for in the linked file about the recoupment of the amounts embezzled.

A
27/1/33

B
27/6

4 Yeatman 28/6

NOTE—Cont Sheet

WD 02 3—G I B—50 000—8 7 30

File No of 193

General and Revenue
Secretariat

Finance and Revenue Secretariat — File No — of 193 — App F III—9]

Serial No

Forwarded with compliments by the Secretary, Insurance Committee, Bangalore for note & return. Formal request to invest the amount in the 5½% bonds 1938 may kindly be sent to this office early

For Comptroller

Noted and returned with compliments. A formal letter regarding the investment of the amount is issued separately

Deputy Secretary, Insurance Committee

DS

Returned with compliments to the Financial Secretary to Govt. A Sum of Rs 3000/- has been invested on behalf of Mr Mascarenhas in the 5½% bonds of 1938 and the bonds kept in Safe Custody in this office

For Comptroller

This will be sent to the DSG

Branch

Yes

Subo for perusal. Pending disposal of the criminal case against Venkadanarasiya, this bill be kept in this A. for orders.

NOTE—Contd Sheet

D 02 3—G.P.H.—50 000—8-30

7-1631

KV

Bangalore City

Dated 21st August 1930

To

1027

Rajasevaparayana
R Srinivasa Iyengar Esq B A B L
Financial Secretary to the Government of Mysore

Bangalore

Sir,

I beg to state that a sum of Rs 3010/- has been with-held from my Insurance amount, which in full ought to have been delivered to me on 20-4-30 the date on which I retired from service The said amount has been with-held to make up for the amount which was defalcated from the Health Office I had submitted my report in the special auditor's report that I was not responsible for the loss and I understand the matter is before the Government for disposal with the opinion of the Municipal Council As the amount is lying in the Treasury without accruing any interest I request that you will be pleased to arrange the full amount to be taken for the Government loan of 1930-38 at 5½% interest The bonds may be issued in Rs 500/- denominations and in case that I am made liable to pay any amount towards the loss in the municipality such amount may be taken from me either by deduction from my pension or from the 5½% bonds

I shall be much obliged for an early reply in the matter.

I am

Yours sincerely

Jeevascommahos

Retd Health Officer
Cottage No 2
Lal Bagh Road
Bangalore

Submitted for orders
C.S.C
By V V

The C B have no papers on the subject may be sent to L-S G, (or G M)
27 8 30
25
CSC 28/8/30
To L S G Br for putting up papers relating to the matter with regard to the amount

9467

L716

2147

1027

G.R.S. III—81

Routine Notes

[To be used [illegible] 1 1 for permanent record]

[illegible]

[illegible] 30-9 [illegible] case [illegible] reported to [illegible] note of 24-11-29 on para 25 of the note on the Manchester position

[illegible]

[illegible] 4/1930 [illegible]

CHIEF SECRETARY'S
6 SEP 1930

[illegible] not clear on what authority a portion of the [illegible] on his life insurance policy which matures some months [illegible] has been withheld. He [illegible]

Should room not be available on small slips, the notes must be copied, or slips pasted on this form

H°946

GRS III—31

2947
9 9

Routine Notes.

[To be used only for notes requisitions etc not intended for permanent record.]

Insurance committee may be asked A
to give the information

Prima facie it seems irregular
to make an Officer's unascertained dues
to a municipal council a charge
on the life rights and bonus which
has accrued to him under an
independent contract

The request now made by
the Massachusetts seems to be
very reasonable. He wants the
money to be invested in 5% B
State loan bonds and ~~asks~~ suggests
that a portion of these bonds
may be released for enforcing
his liability, should any be fixed on
him eventually. The offer is fair
& may be accepted

Returned to Sec'y with enquiries

NB—Should routine notes be written on small slips
the notes must be copied on slips pasted on
this form

8/9/30

8/9/30

Dear Sir
13/9/30

Forward with Secy I.C for favour of minutes the
information about which enquiry is made. B.

With Compliments — The matter seems to be very urgent
8/9/30

App F III—2]

General and Revenue Secretariat | File No | of 193

Serial No

Misc no 6288/Bulletin 29/16 Sept 30

Returned with compliments Under Rule 23 of the Official Branch, a sum of Rs 3012-6-11 has been withheld, as required by the Municipal Commissioner, Bangalore City, being the outside limit of the probable amount defalcated in the Health Office, and for which the insured is said to be responsible in his official capacity The matter is still under correspondence

The investment in the 5% State Loan Bonds as proposed at B, may be made provided the Municipality is prepared to accept Loan Bonds in lieu of cash, in case, the insured is made liable to pay to Varus Government Dues any portion of the amount withheld from his assurance

For ~~Deputy~~ Secretary,
Insurance Committee 18/9/30

FILED
18 SEP

9/9/16 -

To Chief Secy with Compliments for favour of advice as regards the further action to be taken in the H Branch 16/9/30

Rule 23 refers to the recovery of "any amount that may be due to Govt by the insured" The Legal Remembrancer has recently pointed out that the validity of the rule is open to question even as regards Govt dues Much less can it be applied

NOTE—Cont Sheet

WD 01 51—G PB—50 000—8 30

File No of 193 General and Revenue Secretariat

municipal dues (unascertained in regard to the amount) which the Insurance Office has neither the power nor the obligation to recover.

3) As suggested in my note dated 8/9/30, the request of the Massachusetts may be complied with

MLL 17/9/30

Second Member ✓
Third Secretary & 38 Deputy
1st Member RG 17/9/30

COS RG 19/9/30

(Chief Clerk)

4) To Finance Secy with compliments for favour of taking action as suggested at 3) of my note Dated 8/9/30.

MLL 23/9

3552/23/9

278/SL/1930

5) To Comptroller with Compliments for favour of including in the 1930 Supplementary Estimates the amount of Rs 30000 payable by the Insurance Office to the Municipality at Madras.

1+1 30/9/30

(Chief) Today 1/10/30

COMPTROLLERS OFFICE SL 1-OCT-1930 9 11 8pm EAST TIME

to send the file to the Insurance Office for return

OFFIC OF THE FIR THE 3 1 IL 18 SEPT 1930 No 3114

Extract from Notes in Ml File 275-28 regarding the misappropriation of Municipal Funds by one B Venkatamarasaiya, Head Clerk, Health Office, Bangalore City Municipality

---

* * *

Second Member's orders in paragraph 12 of the notes in the above file

12 " Yes The amount defalcated should be recovered from the officials and officers responsible "

Intd C S B
8-11-29

13 Yes We must make this the invariable rule in all such cases

Intd M M I
9-11-29

CONFIDENTIAL

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT
OF HIS HIGHNESS THE MAHARAJA OF MYSORE

No 264/LAD

Bangalore dated 24th October 1929

REV SECTT
GEN 2055
30 OCT 1929
L & G BRANCH

FROM

S SHAMANNA Esq BA
Comptroller to the Government of
His Highness the Maharaja of Mysore
Bangalore

To

B Narayanaswamiengar Esq , B A , B L ,
Secretary to the Government of Mysore,
General Departments, Bangalore

SIR

Adverting to Government Order No L 6-7/Ml 275-28-5 dated 3-7-29 sanctioning the entertainment of an Accountant from this office for conducting the special audit of the accounts of the Health Office of the Bangalore City Municipality, I have the honour to state that the Special Audit Report of Receipts and Payments so far conducted by the auditor has been forwarded to the President, Bangalore City Municipality for necessary action with this office No 263/LAD dated 24th October 1929 copy of which is enclosed for information of Government

2 The period covered by audit is 12 years from 1-7-1917 to 1-5-1929 as regards Receipts and 3 years from 1-7-1926 to 1-5-1929 as regards Expenditure, and the total amount defalcated for the perio covered by audit is Rs 2,520-4-11 so far as it is detected from the available records

3 The several kinds of irregularities committed by the Head Clerk of the Health Office, B Venkatanarasiah, who is absconding, and the absence of any sort of check over his actions are detailed in the Audit Report It may be stated that the defalcation in the Health Office was rendered possible, not by any defect inherent in the system of accounts and rules in force, but solely ~~be~~ by the laxity in

the

the maintenance, supervision and verification of cash and other primary records and documents periodically and non-observance of the prescribed rules and procedure

I have the honor to be,

Sir,

Your most obedient servant,

Comptroller

CV

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT
OF HIS HIGHNESS THE MAHARAJA OF MYSORE

No 263/LAD *Bangalore dated* 24th October 19 29

FROM

S SHAMANNA ESQ BA,
Comptroller to the Government of
His Highness the Maharaja of Mysore
Bangalore

To

The President,
Municipal Council,
Bangalore City Municipality,
Bangalore City.

SIR

Adverting to correspondence ending with this office letter No.191 ES dated 31st July 1929, I have the honor to forward herewith the Special Audit Report of Receipts and Payments of the Health Department of the Municipality so far conducted by the Special Auditor, for information and needful action.

2. The report discloses several kinds of frauds and irregularities committed by the Head Clerk of the Health Office (B.Venkatanarasi analysed and embodied in the several statements and explanatory memos attached to the Report.

3. From the above report, it will be seen that a total sum of Rs 2,520-4-11 has been defalcated for the period covered by audit viz., 12 years from 1-7-1917 to 1-5-29 as regards Receipts and 3 years from 1-7-1926 to 1-5-1929 as regards Expenditure-so far made out from the available records. The amount is made up of (1) Rs 550-8-1 on account of the Extra Special Conservancy Cess Receipts and (2) Rs 1,329-15-10 on account of Establishment Payments including an over-payment of Rs 81-2-0 made to the staff and (3) Rs 630-13-0 relating to the Permanent Advance and Sub Imprest accounts.

4. The salient features of the report are the following:-

(a) Defect in the system of maintaining initial records such as the Cash, Remittance and the Receipt Books and omission to maintain such Registers as the Demand Register etc Para [illegible] of the Report

Part I for details.

(b) Non-agreement between facts in the initial primary Records and those entered in the bills presented in the Municipal Head Office (Vide Paras A (vi) & (B) (vii) of the Report Part II.)

(c) Non-observance of rules relating to the handling of receipts and payments of money and omission to post the transactions as they occur in the prescribed registers and accounts.

(d) Absence of check of the officer over the money received, paid and the balance to be had. (Vide Para A (iv) of Report Part II.)

(e) Want of periodical check of cash balance by the officer and effecting agreement between the book balance and the actual counted cash.

(f) Want of supervision and check over the work of the Head clerk of the Health Office

5. The main factor which has contributed towards the defalcation is the absence of any sort of check or control over the several operations of the Health Department, which in fact absorb a major portion of the expenditure incurred by the Municipality all those years. Had the necessary care and control been exercised over the office management, these frauds could not have occurred.

6. As noticed in paras 18 and 21 of the Report Part I, it was the duty of the Health Officer to see whether the amounts of the cheques and audited bills which he endorsed for encashment in favour of the Head Clerk, have been duly received and brought to account. Similarly, in the case of amounts drawn on Establishment bills from the Municipal Head Office but omitted to be disbursed to the parties, it was the primary duty of the drawer of the bills to see that the money drawn on bills, is actually paid to the correct parties and their acquittance taken. In all Establishment and Contingent bills a certificate is to be given to the effect that the amount drawn has been properly disbursed and such certificates seem to have been given as a matter of course though they were not in agreement with facts.

Similarly in the case of money received the Head Office was responsible to see that all money received is properly brought to account and remitted to Government Treasury or Bank to be credited to the Municipal Fund. This duty was sadly neglected. No attention was also paid to the prompt collection of arrears and if this had been done the fraud would have come to light earlier. It was equally incumbent on the part of the Health Officer to see that the Permanent Advance held by him is available in the cash chest either in the shape of cash or vouchers as enjoined in Govt. Order No.11772-830 E/M 251-26-1 dated 9-7-1927.

7. In conclusion, it may be stated that the defalcation in the Health Office was rendered possible not to any defect inherent in the system of accounts and rules in force, but entirely to laxity of supervision and persistent non-verification of cash balances and other primary Records and documents periodically and non-observance of the prescribed rules and procedure.

I have the honor to be,

Sir,

Your most obedient servant,

(Sd) S Shamanna

Comptroller.

CV 'Crfm' Rc

Appendix F G—1

SUBJECT

Confidential

Section 2nd

File No 273-28

Serial No 10

No 3684/ Ecn 2

Diary No of letter replied to 2055

General and Revenue Secretariat

( )

the *192*

To

The President

Bangalore civil &c.

Sir In enclosure I am directed to ~~forward enclosures~~ Copy of letter no. 264/L&D dt the 24/28th Oct. 1929 from the Comptroller in Mysore, together with Copy of its enclosure, reporting on the several kinds of irregularities Committed by the Head Clerk of the Health Office B Venkatanarasiah, who is absconding, I am

over

Date of issue 22/11/29

Signed by [illegible]

List of enclosures

Copied by

Examined by

WD 063—GPB—20 000—1 8 29

Directed to invite your
attention to paragraph
6 of the Comptroller's
letter of 24 10 29 addressed to you
and to request that
~~the Municipal Council~~
~~may obtain~~ the explana-
tion of the Officers &
Officials Concerned
may be obtained
~~in the matter~~ & submitted
to Govt. for orders, together
with the disciplinary
& other ~~actions~~ measures the
Municipal Council
propose to take in
the matter. Prompt
action ~~should~~ may also be
taken to recover the
amount defalcated
from the Officials &
Officers responsible
for this ~~the~~ loss to the
Municipality. The action taken in this respect may be reported to Govt. Yours
I have etc.,

15/11/29

Secy. 13 11 29 for Secretary to Govt.

5554 — 52-7-4 29

DEWAN'S OFFICE

~~Ml 4-3-25-5~~

1930 Ml 275-28

Order

No 2006

NAME OF PETITIONER Puttagowramma
w/o of Venkatanarayanah
clerk, Health office Bangalore city

VILLAGE Hanumanthapura

TALUK Tumkur

DISTRICT DO

DATE OF PETITION 18 4 30

DATE OF RECEIPT 28 4 30

NO OF ENCLOSURES nil

ABSTRACT

States that her husband who was a clerk in the City Health office Bangalore absconded a year ago for fear of prosecution against him in the City Magistrate's Court. She prays that the case filed against him ~~Rights~~ may be withdrawn as she is prepared to pay up the amount misappropriated by him. By doing this she hopes to get back her husband from his hiding place.

Submitted.

Law Secretary
with Compliments
DO

P. IYATE SECRETARY
TO THE DEWAN OF MYSORE

1/5/30

C5

9-5-30 14

See the orders on the 5a 7/5 - perhaps he should be asked to point out the cases connection with the case, if any

Yes 7/5

L-S G Br with Compts) — 1/5 TV

8/5/30

Noted

5J 79

DEWAN'S OFFICE

ml 275-28

1930 Sep 11

Order

No 2083

Name of Petitioner ... Pulla Soppamma

~~wife of~~

Village Mavanur

Taluk Tumkur

District Do

Date of Pftition nil

Datf of Receipt 10 Sep 30

No of Enclosures nil

LSq Pr

Pl 13/9

Pl 13/9

Lower Secretary with compliments in confirmation of this Office Memo No 2096 dated 28 & 30

Bo

PRIVATE SECRETARY TO THE DEWAN OF MYSORE

Mr TV

Pl 12/9

ABSTRACT

Prays that the Criminal Case filed against her husband who was the Head Clerk of the City Health Office Bangalore may be withdrawn as she is prepared to make good the amount misappropriated by her husband

Submitted

Rao

10/9

A

Appendix F G—1

SUBJECT

Diary No of letter replied to 5579

General and Revenue Secretariat

( )

the 192

Date of issue 28/5/30

Signed by Mr. T K S Iyer

List of enclosures

Copied by

Examined by

Section ml

File No 275-28

Serial No 12

No L 8674

Encs. 2 petns

To

The ml Accountant
Thro' the President
Bangalore Cy & ml. d

Sir

I am directed to forward herewith two petitions dy 18-4-30 received from Putta Gowramma wife of B. Venkatanarasiah formerly Head Clerk of the Bangalore City Head Office stating that she is prepared to make good the sum of Rs 300/- misappropriated,

over

by her husband, provided
the criminal case filed
against him is withdrawn
and to request that
the report called for
in this Office letter
No L3684 - ML 275-28-10
dt 22 11 29 in the matter
may be submitted
to Govt without further
delay

I have etc,

For Secy to Govt

(DPO)

21/5/30

CITY MUNICIPAL OFFICE,

No GDo279 *Bangalore City, Dated* 12th June 1930

6200/13
16-6-30
Rel 275-28

FROM

C MACHIA ESQ, B A
MUNICIPAL COMMISSIONER
BANGALORE CITY

To

R Ranga Rao, Esq, B A, B L,
General Secretary to the Government of
His Highness the Maharaja of Mysore,
Bangalore

Sir,

With reference to your letter No L 8674/M1 275-28-12 dated 28th May 1930 forwarding two petitions received from Putta-Gowramma wife of B Venkatanarasiah who was Head Clerk of the -- Health Office and who is now absconding after committing mis-appropriations and requesting that the report called for in Government letter No L 3684/M1 275-28-10 dated 22nd November 1929 may be submitted without further delay, I have the honour to state that after making proper enquiry and obtaining the explanation of the Health Officer, the matter was placed before the Council on 13th February 1930 who referred it to the Managing Committee for their opinion The Managing Committee have gone through the question and have sent in their recommendation to the Council The subject has been included in the Council agenda for this month and the Council meeting comes off on the 21st Saturday next The -- resolution of the Council will be duly communicated to Government The petitions of Putta Gowramma will also be placed before the Council at the time of discussion of the subject

I have the honour to be,
Sir,
Your most obedient servant,

C Machia
Municipal Commissioner

DRR

MK 275-28-13

CITY MUNICIPAL OFFICE,

No G To 32 — Bangalore City Dated 28th July 1930

6th Augt 1930 Encls Eight copies

FROM

C MACHIA, ESQ., B A,
MUNICIPAL COMMISSIONER
BANGALORE CITY

L 716

To

R Ranga Rao, Esq , B A , B L ,
General Secretary to the Government of
His Highness the Maharaja of Mysore,
B a n g a l o r e

8/8/30

Sir,

With reference to your letter No L 3684/M1 275-28 10 dated 22nd November 1929 requesting to obtain and submi for orders of Government explanations of the officers and officials connected with the several irregularities commit ted by ~~XXX~~ B Venkatanaraeiah, Head Clerk, Health Office, as disclosed by the special audit of accounts, I have the honor to state that on receipt of audit reports from the Comptroller the explanation of the Health Officer and othe responsible officials of that department were called for

2 The explanations of the Health Officer and other were placed with my note thereon before the Managing Commi tee meetings dated 24th March 1930 and 28th May 1930 who after careful consideration and scrutiny apportioned the de falcated amount among the persons concerned in it

3 This subject then came up before the Municipal Council meeting held on 9th July 1930 who have also approv the recommendations of the Managing Committee with the observation that the auditors who were deputed for auditing Municipal accounts at the time had not discharged their duties satisfactorily and that their explanations should be obtained through the Comptroller and placed before the Cou cil for consideration A reference has been made to the Comptroller to obtain the explanations of the auditors concerned and forward them to this Office

4 The two applications of Puttagowramma, wife of B Venkatanarasiah stating that she is prepared to make good the sum of Rs 300/-, misappropriated by her husband provided the Criminal case filed against him is withdrawn, received in this Office with your letter No L 8674/M. 275-28-12 dated 28th May 1930 were also considered by the Municipal Council and were rejected summarily

5 Venkatanarasiah who was absconding from April 1929 has been arrested by the Police and the cases launched against him are under trial in the First Class Magistrate's 2nd Court

6 Copies of the resolutions of the Managing Committee and the Council are herewith submitted for orders of Government

I have the honour to be,
S i r,
Your most obedient servant,

Municipal Commissioner

Forwarded with compliments,

Honorary President

SM

PROCEEDINGS OF AN ADJOURNED MEETING OF THE CITY MUNICIPAL COUNCIL, BANGALORE, HELD ON THE 3DAY THE 9TH JULY 1930 at 4 P M IN THE COUNCIL CHAMBER OF THE CITY MUNICIPAL OFFICE, BANGALORE

Present

P Subbaramma Chetty, Esq , (Hon President)

COUNCILLORS.

Mr Belur Srinivasiengar,B A ,B L ,
" Narayana Rao,
" B K Garudachar,
" T Raghavachar,
" K Sreekantiah,
" I Nazvi,
" Gopalakrishna Rao,
" J R Isaac,B A , B ,
" C Narasinga Rao,B A ,B L ,
10 Mr Ramalal Thiwari,
11 " H Bhadrappa,
12 " A H Hanumanthappa,
13 " G Siddaveerappa,
14 " V Vajapey,
15 " B Keshanna,
16 " D Venkataramanappa,
17 " B L Byanna,
18 " C K Venkatar ngaiengar, ,B

ABSENT.

Mr D C Govinda Rao,
" C Puttachappa,
" T C Shreekanjundappa,
Syed Abdul Khader,
Rao Bahadur Mohamed Abbas Khan,
6 Mr Syed Abdul Khader,
7 Rao Bahadur Dr C B Rama Rao, I D ,
8 Mr A Madhavaiengar,B ,
9 " N Balakrishniah,B A ,LL B ,
10 " M Royan (On leave)
11 Capt Y J Ayya

Deferred Subject No 9 To consider Managing Committee's resolution dated 28th May 1930 regarding the irregularities in the Stores Accounts of the Health Office together with deferred subject No 1 of the Council meeting dated 17th May 1930 regarding the defalcation of amounts in the Health Office, together with petitionsreceived from Puttagowramma, wife of B Venkatanarasiah, formerly Head Clerk of the Health Office, forwarded by the General Secretary to Government stating that she is prepared to make good the sum of Rs 300/- misappropriated by her husband, provided the criminal case filed against him is withdrawn

Resolution ---

Mr C N Narasinga Rao proposed that the recommendation of the Managing Committee be approved

2 That Puttagowramma's application be rejected ~~xxxxxxx xxxxxx~~ summarily

3 That the Auditors at the time have not discharged their

their duties properly and that their explanations be obtained through the Comptroller and placed before the Council

The above was seconded by Mr Belur Srinivasa Iyengar
Put to vote and carried

Sd P Subbarama Chetty,
Hon President

"Copy

For Municipal Commissioner

SM

PROCEEDINGS OF THF MANAGING COMMITTEE MEETING HELD ON
28TH MAY 1 9 3 0

Deferred Subject No 1 --

To consider the Municipal Commissioner's memo dated 26th March 1930 on the explanation of the Health Officer on the Special Auditor's report received from the XXXX XXX Comptroller re irregularities in the Store Accounts of the Health Department

Resolution ---

The Committee approves of the opinion of the Municipal Commissioner in respect of items 1, 2, 3 and 4 relating to the Store accounts of the Health Department It is however of opinion that the Health Officer cannot disclaim his responsibility in this matter, on account of the negligent and irregular conduct of the Store Keeper It was incumbent on him to examine the store account periodically and satisfy himself that every thing was straight The Committee while expressing its regret for this kind of indifference, recommends that in consideration of his long and - past good service and for the reason that he has retired -- from service, his responsibility may be condoned

Sd B Kempanna,
Chairman

C o p y

For Municipal Commissioner

SM

PROCEEDINGS OF AN ADJOURNED SPFCIAL MANAGING COMMITTEE MEETING HELD ON 24TH MARCH 1930

SUBJECT --

Consideration of the Council Additional Subject No 26 of 13th February 1930 in the matter of explanation of the Health Officer regarding the defalcation of amounts in his Office --

Resolution ---

Item No. 1 for Rs 399-13-9.

The Committee agree with the opinion of the Municipal Commissioner that the Health Officer Mr J V Mascarenhas is not responsible for this item since this amount -- has been discovered to have been defalcated prior to his -- taking charge of this Office

Item Nos 2 and 13 comprising Rs 200/- and Rs 39-15-3 respectively

The Committee is convinced that these amounts have been defalcated by the absconding Head Clerk Venkatanarasiah But since the auditors failed in their duty to regularly check these accounts and report the existence of the irregularities in question to the Health Officer during the long period of four years, the Committee is of opinion that the auditors are equally responsible with the Health Officer for these items of money though the latter is primarily responsible for the same

Item No 3 Rs 61-2-0 --

The amount should be recovered from the persons to whom it was over paid

Item No 4 and 5 comprising Rs 70/- and Rs 20/- respectively --

These amounts have yet to be realised and as such they cannot be considered to have been embezzled

Item No. 6 for Rs 63/- --

The absconding Head Clerk Venkatanarasiah is responsible for this amount

Item No. 7 for Rs 105/-. .--

Item No 7 for Rs 105/- --

Conservancy Overseer Seshagiri Rao is responsible for this amount

Item No. 8 for Rs 7-8-0. --

The absconding Head Clerk Venkatanarasiah is responsible for this amount

Item No 9 for Rs 455/- --

The Committee agrees with the opinion of the Commissioner in respect of this amount

Item No 10 for Rs 813-13-10 --

The absconding Head Clerk Venkatanarasiah is responsible for this amount

Item No 11 and 12 comprising Rs 85-0-1 and Rs 200/- respectively --

The Committee feels convinced that these amounts also have been embezzled by the absconding Head Clerk but that the Health Officer is responsible for them

Sd B Kempanna,
Chairman

"C o p y"

For Municipal Commissioner

SM

Office of the City Municipality,

Bangalore, dated the 6th February 1930

M e m o

It is evidence from the Special Auditor, Mr Narasappa's report that a sum of Rs 2,520-4-11 comprising the following items has been misappropriated or unaccounted for ~~XXX~~ in the Health Office ---

1	399-13- 9	Imprest to be accounted for during Mr M G Srinivas Peidpett's time
2	200- 0- 0	Permanent advance given to the Health Officer by Mr J V. Karve
3	61- 2- 0	Overpayment made to subordinates over and above what they were entitled -- to
4	70- 0- 0	Mr Manickavelu Mudaliar's cheque for special conservancy charges
5	20- 0- 0	Special Conservancy charges of the -- Maternity Hospital
6	63- 0- 0	Special Conservancy charges of the -- Malleswaram High School
7	105- 0- 0	Cash paid by Mr Manickavelu Mudaliar to A Seshagiri Rao, Conservancy -- Overseer towards special Conservancy charges
8	7- 8- 0	Special Conservancy charges relating to the City Police station
9	455- 0- 0	Rewards to Midwives
10	813-13-10	Amount misappropriated in establishment bills
11	85- 0- 1	Conservancy charges from Electric Department
12	200- 0- 0	Audited bill from Maternity Hospital
13	39-15- 3	Special Imprest
Rs	2,520- 4-11	T o t a l

II Out of these, the first item of Rs 399-13-9 relates to the defalcation in imprest between January 22 to June 1924 when Mr Srinivas Peidpett was the Health Officer and he has to account for it

III As regards the permanent advance of Rs 200/-

Rs 200/- the Health Officer is personally responsible for the imprest amount placed at his disposal Nevertheless if the auditor had checked the cash balance in the Health Office at least once during the period of 4 years covered by audit as they did in all other branches of the Municipality including minor offices as Cattle Pounds and Markets, etc , this could have been easily found out long before Further though the auditors knew that there were some irregularities relating to the imprest amount and vouchers not forthcoming it is surprising that they (Auditors) woul not bring them to the notice of the Health Officer and all that they did was to ask the Head Clerk to produce the missing vouchers

IV As regards overpayment of Rs 61-2-0 the excess payments have to be recovered from the parties to whom the were made

V As regards Rs 70/- the cheque given by Mr Manickavelu Mudaliar has not been cashed and he has been asked to issue another cheque and to give information to the Bank that the original cheque should not be honoured

VI As regards Rs 20/- it relates to special conservancy charges of the Maternity Hospital and they are to be realised

VII As regards Rs 63/- of the Malleswaram High -- School received in cash, Venkatanarasiah, the absconding Head Clerk is responsible

VIII As regards Rs 105/- it relates to cash paid by Mr Manickavelu Mudaliar towards special conservancy charge to A Seshagiri Rao (Conservancy Overseer) When enquiries were being made as to its receipt by A Seshagiri Rao, the Health Officer showed me the receipt given to Mr Manickavelu Mudaliar and remarked that the signature on the receipt

given to Mr Manickavelu Mudaliar could not be made out and it might have been forged On my personal interview with Mr Manickavelu Mudaliar he told me that he generally issued cheques but on the subordinate, who took the cash and whose description was given to me, representing to him that the Commissioner was -- against taking cheques, he paid cash Later on Seshagiri Rao admitted that he had received cash XXX on receipt signed by him and he had given it to Venkatanarasiah Any way he had no right to receive cash Under these circumstances which appear to be highly - suspicious Rs 105/- have to be accounted for by Seshagiri Rao

IX As regards Rs 7-8-0 conservancy charges -- relating to the City Police Station, B Venkatanarasiah Head Clerk is responsible for having received it direct ly

X As regards Rs 455/- rewards to Midwives for extra labour cases, it is not clear why the Midwives who are intelligent and have had access to the Health Officer did not claim the amounts as they fell due It may as such be safely presumed that these amounts have been paid to them and that no acknowledgments were -- either taken or if taken they might have been misplaced If any amounts are actually due to the Midwives concerned they may be asked to prefer their claims to the -- Health Officer

XI As regards Rs 813-13-10 said to have been misappropriated in the establishment bills, the observations made by the Health Officer are reasonable -- This irregularity might have been prevented or detected if in the course of audit of establishment bills the -- auditors had done their primary duty of checking the

the details of payment, short drawals, etc , pertain to the previous bills It was their clear duty, when lumpsum savings were shown in bills to have called for the details which made up such amounts when the bil are passed in preaudit it is naturally presumed that every thing connected with them are correct The Hea Officer cannot therefore be made to account of --- Rs 813-13-10 when the bills had passed to the test of audit in detail The auditors who failed in their duty to correctly scrutinize the bills have to explai this

XII As regards Rs 85-0-1 relating to conservancy charges of Electrical Department, the Health Officer is responsible as the Health Officer endorsed the cheque to the personal name of the Head Clerk

XIII As regards Rs 200/- audited bill of the - Maternity Hospital, the Health Officer is responsible for this amount as he endorsed the cheque to the persona name of the Head Clerk

XIV Rs 39-15-3 refers to special imprest and so the Health Officer is responsible

XV) In conclusion, it may be stated that Mr M G Srinivas Peidpett has to account for Rs 399-13- 9
Health Officer, Mr Mascarenhas --

Rs 85- 0- 1	
Rs 200- 0- 0	
Rs 200- 0- 0	
Rs 39-15- 3	
	Rs 524-15- 4

Rs 813-13-10 has to be recovered from B Venkatanarasia as he is responsible for it Explanations of the Auditors through the Comptroller may also be obtained
Rs 105/- to be paid by A Seshagiri Rao, Con Overseer
Rs 70/- to be realised from Mr Manickavelu Mudaliar.

(f) Rs 20/- to be realised from the Maternity

(g) Rs 63/- and Rs 7-8-0 to be realised from Venkatanarasiah, Head Clerk, who has absconded as he received these amounts in cash

(h) Rs 455/- See Para X

(i) Rs 61-2-0 See Para IV

XVI It is learnt that B Venkatanarasiah has been in the Health Office for nearly 20 years Even after obtaining the explanation of the Auditors, Venkatanarasiah cannot ~~XXXXX~~ escape responsibility for the sums of Rs 813-13-10 plus Rs 63/- plus Rs 7-8-0 and any other sums that may appear after needful -- enquiries to have been misappropriated by him I understand he owns a house in Basavanagudi worth 3 to 4 thousand rupees and there is also the surrender -- value of his Life Insurance Policy I think both these should be attached promptly to enable the Municipality to recover the amount shown above

Sd C Machia,
Municipal Commissioner

"C o p y"

for Municipal Commissioner

SM

1930
Copy of Memo No To 1396 dated 7th January/from the Health Officer, Bangalore City, to the Municipal Commissioner, City Municipality, Bangalore City

---

I have the honor to submit herewith the report with enclosures as called for in your letter dated 29th October 1929

--

Office of the Health Officer,
Bangalore City,
Dated 7th January 1930

Reference --

President's memo dated 29th October 1929 forwarding for report, the Special Audit Report of -- receipts and payments of the Health Department received from the Comptroller No 263/L A D dated 28th October 1929

--

Memo

I The total sum defalcated by the Head Clerk B Venkatanarasayya was Rs 2,520-4-11 This sum according to the Special Auditor's report (Page 13 of payment portion) is made up of the following items ---

(A)	Special Conservancy charges	Rs	550- 8- 1
(b) i	Permanent Advance	Rs	200- 0- 0
ii	Sub Imprest for four months	Rs	39-15- 3
iii	Sub Imprest not accounted for	Rs	399-13- 9
(C) i	Establishment payments	Rs	1268-13-10
ii	Over payment to staff	Rs	61- 2- 0
	Total	Rs	2520- 4-11

II A detailed examination of the Auditor's report show that it is inaccurate in some respects, that some sums are assumed to have been defalcated without sufficient proof and that too much emphasis has been laid on some minor -- omissions and irregularities, which exist in almost every Office, apparently with a view to save the face of the -- Local Auditors deputed for duty in the Municipal Office

The

The Auditor has not made any attempt at descrimination with a view to apportion the responsibility for the amount defalcated

III There are various items which have either not been defalcated at all or even if they have been, some one else has to answer for them The Auditor has shown that a sum of Rs 399-13-9 was defalcated out of the Sub Imprest amount (B iii above) between January 1922 and June 1926. I assumed charge of the duties of Health Officer on 26th July 1924 The annexures E & E 2 to the Auditor's report show the total receipts and disbursements between January 1922 and 1-7-1924 were Rs 4, 340-0-0 and Rs 3,940-5-6 respectively The difference between these two is Rs 399-10-6 Therefore there was a shortage to the above extent when I took charge The total receipts and disbursements between 1-7-1924 and 22-6-1926 were Rs 1,826-0-4 and Rs 1,825-13-1 respectively The difference between these two is the trifling sum of annas three and pies three only As this defaulcation of Rs 399-10-6 took place before I assumed charge, I am not accountable for it The very fact that defalcation which was going on before I assumed charge ceased after it clearly shows deligence on my part rather than gross carelessness as the Auditor has sought to make out

As regards the imprest of Rs 200/-, I remember that the money was utilised for disinfection purposes, but the Vouchers which were in the custody of the Head Clerk are not traceable Regarding the impresent I desire to state two points --

First, the fact that the vouchers regarding the imprest were not forthcoming was brought to my notice only on 27-4-1929 i e , after the clerk had absconded, through a D O from the President It is stated therein

that though the Auditors were pressing the Head Clerk to produce the Vouchers, he had not done so Even -- after such failure they never brought the fact to my notice as they ought to have done

Secondly, from the memos in the possession of the Special Auditor it could be seen that the imprest was used to be paid the Sweepers of the Electrical Department in 1925, 1926 and 1927 and the Head Office has permitted the amounts thus spent to be recouped when the Cheques -- from the Electrical Department were received The Auditors have been in the Office from 1926 and they have permitted this to go on and it was their duty to call for vouchers every time the spent amounts of the imprest were recouped and when they were not produced by the Head Clerk, the matter ought to have been brought to my notice

IV Under C 2 there is an over payment to the extent of Rs 61-2-0 made to several employees in the -- course of several years As the Head Clerk did not misappropriate the said sum for his own use, it cannot -- strictly be included among the sums defalcated The -- Auditor himself in para 10 of page 7 of his Report has stated that the above sum should either be recovered from the parties to whom over payments were made or from the Head Clerk who is solely responsible for them

V Three of the items included in Rs 550-8-1 defalcated out of the receipts under Special Conservancy -- charges are - (1) A cheque for Rs 70/- on the Mysore Industrial Bank given by Mr Manickavelu Mudaliar, (2) Rs 20/- said to have been received from the Maternity -- Hospital for the months of April and May 1926 and (3) Rs 175-8-0 made up of the three following receipts --

(a) Malleswaram High School	Rs 63-0-0
(b) Mr Manickavelu Mudaliar	Rs 105-0-0
(c) City Police Station	Rs 7-8-0

The Cheque for Rs 70/- given by Mr Manickavel Mudaliar has not been cashed at all As soon as the defalcation became known prompt steps were taken to prevent its encashment Since the Cheque has not been cashed yet it is quite wront to include it in the sums defalcated There are no vouchers or reference to show that the Maternity Hospital paid Rs 20/- for the months of April and May 1926 The matter is still under correspondence between the Maternity Hospital and the Municipality Till the former is able to show by vouchers or reference that the said payment was made, it cannot be assumed to have been defalcated at all This sum ought also to be excluded The Head Clerk who received Rs 175-8-0 from the three parties named above never brought the items to my notice I received no communications from those parties These receipts were not entered in the account In the absence of these things, it was not possible for me to know even with the greatest diligence which sums the Head Clerk received behind my back The Auditor say that if by reference to the Demand - register, I had issued notices to those 3 parties, they would have promptly repudiated them and shown Vouchers, when I would have been approsed of the facts I did issue demand notices to them, I even went further and wrote to the Comptroller 1928 to recover the dues from the two Institutions But to my surprise I found that the notices and the dock to the Comptroller had not been despatched at all They were found in the Head Clerk's drawers after he absconded I naturally assumed that they had been despatched in the ordinary routine of business It could hardly be expected that it was one of my duties to search his drawer and see whether tappals had been despatched or not The above five sums of Rs 399-10-6 plus 62-1-0 plus 70-0-0 plus Rs 20-0-0 plus Rs 175-8-0 totalling Rs 727-3-6 were either not defalcated at all or I am in way answerable

for them, and ought to be excluded out of the total sum of Rs 2,520-4-11 leaving a balance of Rs 1,793-1-5

Mention has to be made of two other items -

1 Difference in amount received and the amount accounted for from the Electrical Department Rs 85- 0- 1

2 Audited bills of the Maternity Hospital Rs 200- 0- 0

As regards the audited bills for Rs 200/- pertaining to the Maternity Hospital it was always the practice to endorse them in favour of the President to be credited to the Municipal treasury B. Venkatamarasayya must have got them signed when I was very busy How these were cashed in the State Huzur Treasury even though they were non transferable is not clear It is ascertained that Venkatanarasayya used to endorse some of the audited bills on the State Huzur Treasury in favour of one B K Hanumanthappa employed there who was cashing them and handing over the moneys to Venkatanarasayya This Hanumanthappa supplies a cart to the Conservancy Department of the Municipality

VI - Out of the balance a sum of Rs 1,268-13-0 is said to have been defalcated from the establishment pay bills The said sum is made up of Rs 455/- due to Midwives as rewards for extra labour cases conducted by them and Rs 813-13-0 due to other employees From the fact that the pay ents of rewards to Midwives is not evidenced either by my initials or of the Midwives against those payments, the Special Auditor concludes that the sum must have been defalcated I personally supervised the monthly payments to the Staff and initialled against all payments made as noticed by the Auditor But the rewards due to Midwives were drawn on

Bills

Bills prepared at long intervals I remember to have disbursed all the rewards but apparently the acquittance roll in which the acknowledgments of the Midwives were taken must have been mislaid On enquiry the Midwives say that they do not remember what amounts have been paid to them If any money was due to them they would certainly have claimed it That they have not done so proves they must have received it

It does not, therefore seem correct in this case to say, that merely because the acknowledgments could not be found that the amount has been misappropriated by the Head Clerk In the light of the above fact the sum of Rs 455/- should be deleted from the aggregate amount

If these amounts of rewards were included in the Cheque, the Auditors when checking the previous months' Bills ought to have found out the unpaid balances

VII The Special Auditor says that the defect in the preparation of pay bills and the maintenance of correct account of disbursements led to the commission of fraud It is necessary for a correct judgment to bear a few instances in mind The pay of Chenna is claimed as Rs 9-15-6, but he is paid only Rs 9-1-7, i e , 0-13-11 less Similarly Nallega is paid Rs 10-10-2 while the claim made on his behalf was Rs 11-0-0 He was paid Rs 0-5-10 less I conceive my duty was to exercise general supervision and control When some time ago there was defalcation in the Municipal Office, to prevent further frauds, two Auditors were specially deputed to check the accounts and pre-audit all the bills before passing them for payment It was the duty of the Local Auditors to check the pay bills with reference to the previous month acquittance roll It was only by a detailed Audit that small differences could be detected The Local Auditor did not check the accounts of the Health Section The pre-audit as is now evident, was non-existent It is

surprising that the Special Auditor should have carefully avoided any reference to the work of the Local Auditors but for whose gross neglect of duty, these frauds would either not have been committed or detected long ago From what has been stated earlier it is clear that there was no defalcation in the Sub Imprest account after I assumed charge I was personally attending to disbursements as shown by my initials in the acquittance rolls I took care to recover the arrears, but the Head Clerk cheated me by not despatching the demand notices My initials on -- different dates in the Cash book shows that I checked the Cash on hand by reference to book-balances The Head Clerk manipulated the book balances to agree with the cash on hand I presumed that the Local Auditors had done -- their duty If they had done their duty the defalcation of Rs 813-13-0 out of the establishment pay bill would not have been possible It is for the Local Auditors to explain why they failed to pre-audit the bills as they were in duty bound to do I submit that being professional man and ignorant of accountancy, I still exercised general supervision and control and that the fraud was made possible owing to the gross neglect, wilful, or otherwise of the Local Auditors

In conclusion, I beg to state that the Head Clerk who misappropriated the money is primarily responsible for -- payment I understand he owns a house in Basavanagudy worth Rs 3 to 4 thousand There is also the surrender value of his Life Insurance Policy Both these should be attached promptly and arrears recovered from him It is also necessary to investigate how far the Local Auditors are responsible for these frauds, by their total omission to check the accounts and pre-audit the bills they passed

Sd J V Mascarenhas,
Health Officer

"Copy"

Municipal Commissioner.

Office note on the explanation of the Health Officer on the Special Audit Report received from the Comptroller regarding the Store account of the Health Department, Bangalore City

---

The audit report discloses a total loss of Rs 492/- to the Municipality as detailed below for the period -- covered by the audit from
to

(A)	Overpayment to contractors for supply or articles to Disinfection bulls	Rs 18- 9- 0
(B)	Kerosine Oil account	Rs 28- 9- 0
(C)	Tools and Plant account	Rs 97- 0- 0
(D)	Windows account	Rs 348- 0- 0
	T o t a l	Rs 492- 2- 0

As regards (A),

The Store Keeper's explanation discloses that certain entries have been ~~XXX~~ omitted in stock book of stores although the fodder for feeding bulls were being received daily as per arrangements that prevailed then This irregularity led to deficit in the quantity shown in the books as compared with the bills The Store -- Keeper's explanation cannot be accepted He has to recoup this amount

As regards (B),

there is no discrepancy in this item of expenditure as the full quantity purchased has been accounted for in the books On the face of the Health Officer's certificate the objection by the Auditor cannot be supported

As regards (C), the shortgage of articles to the extent of Rs 97/- in the absence of proper accounts being

Office of the Health Officer,
Bangalore City,
Dated 19th/22nd March 1930

To No 2020

REFERENCE -- President's Office Memo No 4146 dated 4th December 1929, Special Audit Report Received from the Comptroller No LAD 342/Enc dated 18-11-1929 regarding the Store Accounts of the Health Department, Bangalore City

---

M e m o

SUBMITTED TO THE COMMISSIONER -

The total loss to the Municipality, according to the report, in store transactions during the period covered by audit is as follows ---

(A) Overpayment to contractor for supply of articles for Disinfection Bulls	Rs 18- 9- 0
(B) Kerosine Oil account	Rs 28- 9- 0
(C) Tolls and plant account	Rs 97- 0- 0
(D) Windowsa account	Rs 348- 0- 0
T o t a l	Rs 492- 0- 0

The explanation of the Conservancy Overseer, B Hanumantha Rao who was in-charge of the Stores is herewith submitted

His explanation with regard to A & B may be accepted There does not seem to be any over-payment to Contractors and the difference between the bills and account is due to the non-maintenance of correct account The undersigned is satisfied that the bulls were daily fed regularly

As regards Kerosine oil account it does not seem fair to base the consumption of previous months on the quantity used in subsequent months As pointed out by the Overseer, oil was being used for carts to take the XXi Band instruments from Munireddypalya and Market Band Stand and for lighting the disinfection Stores The oil was used for both Kerosine oil emulsion and anti-mosquito work and it was red kerosine oil of a very low grade and

and it causes heavy smoke Both of these were stopped from about 1928 Hence the monthly average quantity of Kerosine oil was more prior to 1928 and there has been a loss to the Municipality on this account

AS REGARDS TOOLS AND PLANT --

The explanation of Overseer B Hanumantha Rao is not at all satisfactory If there was any difference between the stock account and the quantity on hand it was his first duty to have brought it to the notice of the superior authorities and have the accounts reconciled immediately No doubt some times the articles will have to be issued on oral orders, but it was the duty of the Store-keeper to have it confirmed in writing For this no special knowledge in accounts is needed

Overseer B Hanumantha Rao has been grossly negligent of his duties in th s matter and he must make good the difference in accounts amounting to Rs 97-0-0 The account of Tools and Plant was kept in a paste - board book and I have often cnecked The book produced by Hanumantha Rao is the issue book which tne receivers have signed The articles were checked now and again Even at the end of every year, the articles which were unserviceable were made to be returned to the Stores and proper lists were caused to be prepared and sanction was obtained from the Municipal Commissioner for their sale by auction After the return of unserviceable articles, new articles were issued

AS REGARDS WINDOWS --

The explanation of the Overseer has already been submitted and separate orders passed by the President thereon according to which a sum of Rs 20/- is being recovered per month from the Official towards the cost of the missing windows

His explanation in connection with the non-production of books is not at all satisfactory He has

given different reasons at different times for their non-
b| production and now says that they were found in his house whereas he reported that they were not traceable after the most careful search This shows that he wanted to hide the books and thus frustrate the security of accounts The Principal register is still missing His conduct in this matter is very unsatisfactory and has to be seriously taken notice of He should not hereafter be placed in any responsible and independent position He has not yet produced the Store-registers for 1926-27 and also the main register of Tools and Plant though he was asked to do so repeatedly It is evident he has kept them back from fear that they might disclose further discrepancies Any how he must be made to produce the missing books, failing which he should be suitably dealt with in conformity with Official discipline Any further leniency to him sets a bad example

As regards the non-maintenance of accounts with regard to the Uniforms, Midwives Articles, Furniture, etc , I remember that they were entered in a register and issued out immediately, but it is not traceable I am however - satisfied that all Uniforms, articles, etc , purchased for the use of the several establishments have been issued from the Office as soon as they were received, since their purchase was ordered after personally satisfying myself that they were really required When Hanumantha Rao handed over charge to Narayana Rao of the Stores in October 28 he did not hand over the Registers referring to various stocks and Narayana Rao did not bring this to the notice of the Office as he ought to have done and this fact came to light only when the question of Windows account was -- taken up Narayana Rao had been in the Stores for over 2 years prior to 1926 and he was aware that Registers were

were maintained for various stocks and when the registers were not handed over to him the fact ought to have been reported

In para 13 of the report, the Auditor says that Hycol etc , is issued in personal names of certain gentlemen Hycol is issued for disinfecting purposes on requisition both written as well as oral by telephone, etc The Overseer should have noted the number of the house instead of noting the names of the residents This is done out of ignorance by the Store-Keeper

The report itself shows that the Stores account were never audited prior to the Special audit for the Head Clerk B Venkatanarasayya absconded As all the bills were being preaudited it was thought that the Auditors and other Accountants had satisfied themselves that all the initial records etc , were being properly maintained before passing the bills for payment The irregularities show that they have failed in their duty

Sd J V Mascarenhas,
Health Officer

"C o p y"

For Municipal Commissioner

SM

SUBMITTED --

With reference to memo No 1458 dated 17th January 1930 stating that I should submit my explanation to the irregularities noticed in the Audit Report of Disinfection -- Stores, I beg to state as follows ---

I am asked to explain on the following points --

(1) The missing of certain account book and handing over, not when asked for but on subsequent dates

(2) Shortages of Kerosene Oil, valued at Rs 28/-

(3) Loss of tools and plants to the extent of Rs 97/- issued of Stores articles, excess in the Indents and correcting --- entries made in the Store Account Difference noticed in -- carrying out forward to the extent of tools and plants

(4) Over payment to Contractor in connection with the feeding of the disinfection bulls estimated at Rs 18-9-0

(5) Shortages in windows account valued at Rs 348/-

As regards to the item No 1 it is true that I did not give a definite reply when asked for by the Auditor regarding the Store Account book produced by me at a later date The booking question taken by me home to re-write it in a form -- by the previous auditor Mr Ahoubala Char As I had heavy work in Office, I was not able to copy it in the Office This book was found in my home when ~~xxxxx~~ thorough search was - made As the book was taken to my home for the above purpose about three years back, I cannot readily remember that I have taken home when found The same was handed over to the Fort gate office for being produced before the Auditor Thus there was no dishonest intention in keeping back the book

As regards the item No 2, the shortage of 228½ bottles of Kerosene oil pertained for two years, viz , 1927-28 and 1928-29 are about 114 bottles per year The tins purchased in Bazaar were opened once and at times they did not contain -- full 24 bottles As taken into accounts by the auditor the - bottles in which the kerosene oil was issued were also of a bigger size than ordinarily issued in the Bazaar In arriving at the shortage, no reduction is made by the Auditor for wastage and measuring The same kerosene oil also used for - lighting the disinfection Stores and also for the carts sent for the use of band men If all these items are taken into account there will be no shortage in the kerosene oil account The Health Officer is personally satisfied for the proper -- use of these articles at the time of stock taking and on other occasions

As regards the item No 3 is concerned, the items relate to brooms, baskets and iron pots etc It is very difficult to keep a regular account daily used especially when they are issued with or without indents on accasion like His Highness the Silver Jubilee, Sri Sringeri Jagatguru's visit, etc . These articles are taken stock of by the Health Officer periodically and the shortages noticed at this stock taking are - explained to him personally to his satisfaftion The counted balances are brought forward as opening balance for subsequent year and this account for the difference noticed by the Auditor On accasions like the above many more baskets and - brooms will be required to remove the night soil etc The baskets when once used will not be made use again At times the indents sent in by the Sanitary Inspectors will be corrected in the Health Office by reducing in number and when th

the Inspectors personally represent that the reduced quantity will not meet the requirements The Health Officer --- orally orders the quantities actually required by the Inspector may be issued Accordingly quantities excess of -- those corrected in the Head Office will be issued The Overseers' acknowledgments will be obtained It is true that I did not get the approval of the Health Officer in writing - for the excess authorised by him orally For this neglect of mine I request that I may be kindly excused Being an Executive subordinate, I did not know the Office account -- procedure This answers items 2 and 3 above

As regards the item No 4, I beg to state that a Standing Order was placed to the Contractor regarding feeding of bullocks He used to supply the necessary articles daily The receipt and the issue of these articles might have been omitted in the Stock Register by Oversight This omission in the prescribed register may also be due to more important works, which I was asked to attend in connection with important occasions The bullocks were kept on no days without being fed The Health Officer also has been satisfied himself about the condition in which the bullocks were fed and maintained

As regards the item No 5, I can assure the authorities that there is no misuse of these windows The auditor in estimating the shortage at Rs 348/- has taken into accounts the cost of 14 windows received short in the train when I was no in the charge of the Disinfection Store He has also taken into account Rs 54/15/0 which the Head Clerk has stated in his statement as available on hand These items I have satisfactorily explained to my superior officers And they are pleased to accept my explanation As regards the balance of Rs 286/- which is being recovered from my salary at the rate of Rs 20/- per month I may be permitted to state once more that the shortage has been arrived yet owing to the absence of the proper accounts in respect of the windows sent the other Municipalities and also to the Divisional Sanitary Inspectors Even if there had been some misuse in respect of money received on account of these windows the absconding Head clerk is responsible, since the value being received by the Head Clerk himself As my ill-luck would have it I have been ordered to pay very heavy penalty for my neglect of not having maintained correct account of these windows And I have submitted myself to the orders of my superior officers In conclusion I humbly beg to submit that the above irregularities have occurred since I was ignorant of the account rules and also of the method in which the accounts of Stores had to be maintained Neither the Head Clerk nor any other ministerial had gave sufficient instructions regarding the maintenance of these accounts I was all along an Executive subordinate and did not know the maintenance of proper accounts The explanation offered in respect of kerosene Oil holds good for fenoil etc , since they were not correctly measured and issued, since no scales were sent for measuring The whole irregularities are due to the improper accounting and no intentional mischief is intended I beg to be kindly excused for the above irregularities since I was ignorant of the accounts rules and correct method of accounting the Stor Articles These store books were also brought now and then to the Head Office for checking the bills etc And at this distance of time, I am unable to say whether some of the records that are reported by the Auditor not available for disinfection stores I have stated the facts as they occurred and I may be excused Sd B Hanumantha Rao

"C o p y" 29th January 1930

A Hanumantha Rao
for Com

Appendix F G—1

SUBJECT ...

L 7167

Section 2nd

File No 275-28

Serial No

No L 1825

Diary No of letter replied to

General and Revenue Secretariat

( )

the *193*

Date of issue 7-9-31

Signed by Mr V S Sastri

Ref- reminder sent

2nd 7/9

Mr 7/9

List of enclosures

Copied by ... 7/9

Examined by ...

To

The 2nd Asst, Bangalore

Sir,

I am directed to invite reference to the correspondence ending with your letter no 5 to 32 dt 6-8-30 re the recent irregularities committed by B Venkataramanaiah, Hd Clerk, Health Office and to request you to let us have as to report for the information of Govt the result of his trial

I have etc

Mr 7/9 for Gen Secy

2nd 7/9 Lawer

WD 02559—GPB—25 000—25 6-30

TYPING SEC

Extract

4th September 1930

7

From

General Department

The Municipal Commissioner Bangalore City
through the President

I am directed to invite reference to the correspondence ending with your letter No G 10 32 dated 6th August 1930 regarding the irregularities committed by S Venkatanarasiah Head Clerk Health Office and to request you to be so good as to report for the information of Government the result of his trial

I have the honor to be

Sir,

Your most obedient servant

V Subrahmanyasastri

for Secretary to Government
General Department

MSA

cn

M1 275-28-14

CITY MUNICIPAL OFFICE

No G Do 104

Bangalore City *Dated* 5th Nov 1931

11 R

G 2180 CIT.
12 NOV 31

FROM

P H KRISHNA RAU ESQ M A
MUNICIPAL COMMISSIONER
BANGALORE CITY

GENERAL SECRETARY
TO
11 NOV 1931
No

TO

H V Ramaswami, Esq , M A , B L ,
Secretary to Government,
General Department, Bangalore

Sir,

With reference to your letter No L 1825/M1 275-28 dated 7th September 1931 enquiring the result of the trials in connection with the Criminal cases launched against Venkata Narasiah, Head Clerk of the Health Office I have the honor to state that five cases as detailed in the margin were filed against the official through the Police in the First Class Magistrate's Court Out of these five cases the accused was acquitted in two cases (1) and (2) and appeals against the order of acquittal have been pending in the High Court As regards the other three cases Nos 3,4 and 5 they have been transferred to the City Magistrate's court on application by the accused and they are pending in that Court After the appeals and the cases are disposed of a further report will be made

For Misappropriating

1 Cheque for Rs 300/- towards Special Sanitary cess drawn on Health Officer from Electric department Only Rs 141/- credited and 159/- misappropriated

2 Pay Rs 39-3-0 due to Sanitary Inspector Tirmalachar

3 Amount of Rs 105/- paid by Mr Manickyavelu Modalaar but not credited

4 Amount of Rs 7-8-0 paid by Superintendent of Police but not credited

5 Conservancy charges of Rs 27/- received from Malleswaram High School and misappropriated

I have/

I have the honor to be,
Sir,
Your most obedient servant,

Municipal Commissioner

Forwarded with Compliments,

President